



NEW MEXICO MORTGAGE FINANCE AUTHORITY

All New Mexicans will have quality affordable housing opportunities



Strategic Plan Reporting FY 9/30/14

Goal 1 - Development of Stronger Communities

Objective 1	<p>Incorporate sustainable, healthy, energy efficient design in all applicable MFA products/ programs. FY2014: Investigate incorporation of EPA Indoor Air Quality Plus standards into MFA programs.</p>	<p>EPA Indoor Air Quality Plus was incorporated into the MFA Green Criteria for the low income housing tax credit program and has been in the NM EnergySmart state standards conforming to ASHRAE 62.2. Green initiatives manager is reviewing the current construction standards in the rehab program to determine what green measures can be implemented in program.</p>	<p>Met</p>
Objective 2	<p>Increase capacity of MFA partners to deliver services and housing.</p>	<p>Provided Public Housing Authority 101 Training to the Northern Regional Housing Authority (NRHA) Board of Commissioners on December 9, 2013. The 2013 Regional Housing Authority Annual Report was approved by the MFA Board and distributed to HUD, Legislative Oversight Committee, Legislative Finance Committee and the State Department of Finance in December 2013. Regional Housing Authority budgets are complete and have been sent to DFA for approval. The NRHA Board of Commissioners selected Smart, Inc., a professional public housing contractor, to operate the Taos County Housing programs through June 30, 2014. HUD headquarters officially approved the consolidation of the Taos County Housing Authority, real property assets, Section 8 and low rent programs with NRHA effective August 1, 2014. Smart, Inc. will manage NHRA for one year, with a two year option renewal. Smart, Inc., HUD, and the NRHA Board Chair are also meeting with troubled northern PHAs to discuss transference of properties and programs to NRHA. Held webinars for Emergency Homelessness Assistance Program, Rental Assistance Program, Housing Opportunities for Persons with Aids and Community Housing Development Organization Operating to review RFPs and provide training and technical assistance. Affordable Housing Technical Manual drafted and under review. Provided assistance on 12 affordable housing plans and ordinances (Portales, Truth or Consequences, Socorro, Lordsburg, Rio Arriba County/Espanola, Harding County, Dona Ana County, Valencia County/Los Lunas, Village of Ruidoso, Guadalupe County/Santa Rosa, Eddy County, Bernalillo County). Updated MFA production highlights, LIHTC awards list and some county fact sheets for 2013. Outreach to NM Congressional Delegation: 1) developed and provided documentation on geographic distribution of LIHTC awards and changes to the 2014 QAP; 2) provided 2014 budget priorities and NAHASDA</p>	<p>Met</p>

		<p>reauthorization comments; 3) developed and presented NM federal housing priorities during LegCon; 4) provided comments on proposed federal housing legislation and proposed amendments to the House T-HUD bill; 5) responded to questions regarding HUD redesignation of Census Tract 21. Developed and submitted bills for the 2014 NM Legislative Session; obtained funding as reported in Goal 1, Objective 6. Homeownership Department outreach staff continue to provide single family homeownership program training to lenders and Realtors statewide with current focus on new lender prospects and establishing rural community partners/specialists. Hosted Weatherization Day in Espanola in October with Congressman Ben Ray Lujan. Organized speakers and agenda for Hobbs town hall meeting and Santa Fe board meeting. Provided assistance on five Albuquerque grand opening events. Other public events were Realtor-sponsored activities in Las Cruces and Albuquerque, including two golf tournaments, and multiple Homeownership Month meetings in cooperation with USDA. The 2014 Housing Summit was successfully executed. The summit had 11 tracks and 75 breakout sessions that incorporated programming from all eight housing organization partners. More than 160 speakers addressed a broad range of housing topics. MFA was consistently branded as the creator and host of the event and was promoted as the state's affordable housing resource. Held Housing Trends series involving MFA partners as part of the 2015-2017 Strategic Plan process.</p>	
Objective 3	Improve customer satisfaction (as measured by regular customer satisfaction surveys) by 09/30/2014. FY2014: Evaluate customer relationships with a survey by 9/30/14.	Asset management surveys were created and distributed to our HUD Project-Based Section 8 owners. Sixteen responses were received and have been tabulated and discussed with department staff.	Met
Objective 4	Research, design, and develop responsive programs.	Completed Phase I pilot of Multifamily Energy Efficiency and Retrofit program in conjunction with ICAST in Socorro at Cibola Apartments. We were successful in getting New Mexico Gas Company to develop a multifamily energy efficiency program which is pending PRC approval. We were not successful in obtaining PNM multifamily energy efficiency funds. Re-evaluating our loan structures and terms to be more responsive to the market. Discontinuing single family development program primarily because of regulatory constraints. Continuing to work with Colonias Development Council to clarify use of funds for housing. Researched the viability of offering the HFA Preferred Risk Conventional loan product and determined it was not feasible to offer the product in FY2014.	Met
		This year's public awareness efforts have focused on increased communication with MFA partners and stakeholders through new and updated	

Objective 5	Develop public awareness campaign strategy and implement strategy by 09/30/2014.	collateral materials, more effective email communication and an increased public presence. Accomplishments include: Created and distributed 2013 annual report, new web site in final stages of development with all funds dispersed, collateral materials available on web site, enhanced eblast reporting and updates available, resulting in significant reduction of bounce rates, designed new eblast templates for all departments, completely rewrote and reprinted all homeownership factsheets and brochures, created new Smart Choice brochure, designed new business cards in second-tier branding style, released Community Development and Asset Management/Housing Development newsletters in December and April, released two Indian Housing newsletters each month, redesigned and distributed legislative materials and sent more than two dozen legislative e-blasts, designed and produced health and safety posters for all MFA rental communities, designed and created fliers for New Mexico Gas Company's Weatherization Program, created new NM EnergySmart materials for co-op presentations, designed and produced rural lender recognition certificates, created new trade show displays and banners and new site signage and sent three award submissions to NCSHA (MFA received the NCSHA national award for annual report). New partnerships: edited and printed renters guide for NM Law and Poverty, sent out email for city's Housing Bond vote.	Met
Objective 6	Research and assess feasibility of new resources and sustainable revenue-generating activities by 09/30/2013. Develop and launch by 09/30/2014. FY2014: Develop and launch 3 approved activities.	Secured new resources for lending from the NM Small Business Investment Corporation (SBIC). MFA Board approved new CDFI initiative; new organization (Ventana Fund) was formed, agreements were executed between MFA and Ventana, three loans have been approved and CDFI certification application is in progress. Secured and utilizing new resources for NM EnergySmart program including \$25,000 from Freeport McMoRan, \$279,000 from Xcel Energy and \$35,000 from Central Valley Electric Cooperative (additional funds pending with other electric cooperatives). With increased funding from DOE, LIHEAP and PNM, NM EnergySmart funding increased by over \$1.5 million. Grant application for \$2 million submitted to HUD for the Section 811 Project Rental Assistance Program, to provide rental assistance for low-income persons with disabilities. Received the following in the 2014 NM Legislative Session: Regional Housing Authorities (\$200k), Affordable Housing Act Oversight (\$250k), Housing Trust Fund (\$500k), and State Homeless funds of \$200k and \$290k which have been structured as reoccurring funds.	Met
Goal 2 - Homeownership			
		For FY2014, MFA provided first mortgage financing to 939 first-time and non first-time	

Objective 1	Provide first mortgage financing to 3,180 first-time homebuyers. (3 year objective) FY2014: 1,250 first-time and non-first time homebuyer loans	homebuyers throughout the state of New Mexico. The three-year production goal was 3,180 loans; 2,980 loans were made. To drive demand for MFA's mortgage product during the upcoming buying season, mortgage rates have been reduced and are now more competitive with the local mortgage rate market. MFA held two lender roundtables in April and August and discussions indicate that the mortgage market is down in general, not only for MFA programs. Lenders indicated that poor credit and excess debt seem to be the major obstacles for potential homebuyers as well as a shortage of homes for sale.	Not Met
Objective 2	Increase assistance to rural households, which may include first mortgage loans, down payment assistance loans, pre-purchase counseling and loss mitigation counseling. FY2014: Measure and track results of rural marketing/referral program.	Rural New Mexico webpage has been added to MFA website, which lists MFA designated "Rural Specialist" mortgage lenders and Realtors. As of 09/30/14, the webpage had 749 unique visits. MFA has also increased the percentage of first mortgage loans made in rural counties from 5.90% in FY2012 to 6.65% in FY2013 and 7.56% in FY 2014.	Met
Objective 3	Assist in the development and implementation of the Attorney General's Homeownership Preservation initiative. FY2014: Conduct contractor monitoring/audits, provide appropriate reports to HPP Manager and assist HPP Manager with the coordination of various service components among contractors.	Staff is actively managing the Homeownership Preservation Program for the NM Attorney General's Office. Year 3 of the program began 07/01/14. Staff has conducted all required quarterly contractor monitoring. Staff has prepared Year 2 progress reports and provided them to the AG's office. Staff helped create a custom database for collecting client-level data from the contractors, which is currently in final testing. MFA also executed an MOU with the Attorney General's Office to assist in the transition of the program after Year 3 of the program. Fiscal agent activities are running smoothly and monitoring activities are ongoing.	Met
Objective 4	Assist 2,694 first-time homebuyers to obtain face-to-face or online pre-purchase homebuyer counseling. (3 year objective) FY2014: 950 on-line counseling units; 35 face-to-face sessions	For FY2014, MFA assisted 1,206 first-time homebuyers to obtain pre-purchase homebuyer counseling including 1,143 on-line counseling sessions and 63 face-to-face counseling sessions. The three-year production goal was 2,694 counseling sessions; 3,375 counseling sessions were conducted including 3,602 on-line counseling sessions and 173 face-to-face counseling sessions.	Met
Objective 5	Rehabilitate 2,507 existing housing units in New Mexico to achieve MFA health and resource conservation standards. (3 year objective) FY2014: 600 units w/ HOME and NM EnergySmart	For FY2014, 1,041 homes were fully weatherized homes and 54 homes were rehabilitated for a total of 1,095 existing housing units rehabilitated to achieve MFA health and resource conservation standards. The three-year production goal was 2,507 homes; 3,457 homes were fully weatherized and 216 homes were rehabilitated for a total of 3,673 homes.	Met
Objective 6	Provide funds to acquire and rehabilitate 17 units, for sale or rent, to reduce the inventory of foreclosed homes and to stabilize affected communities. (3 year objective) FY2014: 0 units	Final Neighborhood Stabilization Program (NSP) home completed and sold on 1/24/14. Staff is working with the Department of Finance and Administration to complete the final closeout of NSP.	Met
		The Homeownership Department has begun to	

Objective 7	Maintain MFA single-family mortgage market share. FY2014: Define and implement activities that maintain MFA single-family mortgage market share.	implement monthly marketing activities which include interaction and communication with key management staff in the participating lender network. The marketing effort includes co-marketing/training with Realtors, lender partners and MFA staff, greater participation in industry events, joint marketing with participating lenders and homebuilders and Realtor/lender focus questions to determine market needs. Staff has implemented several simplified program documentation/qualification guidelines. Staff is researching alternate communication methods with lenders/Realtors (i.e. newsletter). As of 09/30/14, MFA market share for one-unit, purchase FHA insured first mortgage loans under \$200,000 among the top 50 lenders in the state was 35%.	Met
Objective 8	Evaluate and implement, if feasible, servicing expansion for single family loans.	In March 2014, the Servicing Expansion Committee (SEC) was assigned the responsibility of evaluating the feasibility of expanding MFA's self-servicing operation in support of MFA's Strategic Plan and alignment with MFA's mission. SEC recommended and the Board concurred to not move forward with the project because it did not support the objective of creating a viable revenue generating opportunity. Based on next steps identified by the Board, SEC updated its economic feasibility models and concluded preliminarily that sub-servicing appears to be a viable revenue generating activity. Thus, full evaluation of the sub-servicing model will be conducted as part of the new 2015-2017 strategic plan (Servicing Expansion Phase II), along with development and implementation of the Compliance Management System. Related activities completed in FY2014 include: purchase the MITAS Customer Service Portal and Document Management Modules with staff training and extension of the current master servicing contract through March 2016.	Met
Goal 3 - Rental & Group Shelter			
Objective 1	Net increase in affordable rental units in MFA's portfolio. FY2014: Provide financing for new construction or acquisition/rehabilitation of 250 units, which combined with units added in 2012 and 2013 will exceed the number of units lost in the same time period.	As of 9/30/14, MFA provided financing for 975 new units and no affordable units were lost during the fiscal year. The 975 net units created are in excess of the FY2014 production goal of 250 units. There has been a net increase in affordable rental units in MFA's portfolio over the three years.	Met
Objective 2	Create/maintain long term viable rental properties through strong underwriting and proactive oversight. Continue risk management and analysis efforts on existing portfolio. FY2014: Sustain ratings for 70% of the portfolio and explore trend analysis reporting	FY2014 objective for rating 70% of the portfolio closed with a rating of 89% and system improvements were identified to continue objective of trend analysis. Improvements include resolving the software modification which eliminated month end vacancy reporting for vacancy rate risk indicator and resetting system default ratings across the three main rating categories. Update on underwriting: Progress is ongoing with the redevelopment of our loan underwriting tool; the 2014 LIHTC Underwriting	Met

	based on 2011-2013 data.	Supplement was revised and posted to our website; the process for reviewing/updating underwriting standards to comply with new HOME regulations is in progress. In Q4 MFA's activities for the 2015 qualified allocation plan (QAP) included the developer forum and a public hearing. At the end of the fiscal year, the 2015 QAP was on schedule for approval and future publication.	
Objective 3	Program 100% of all homeless funds for full annual expenditure in accordance with continuum of care and HUD planning objectives. Assist 300 households with Rental Assistance Program, Assist 5,000 individuals with Emergency Homeless Assistance, Assist 1,000 individuals with Continuum of Care Performance Program, Assist 330 individuals with HOPWA funding, Assist 30 individuals with Linkages funding	As of 9/30/14 the below number of individuals were assisted: • Assisted 744 households with Rental Assistance Program. • Assist 6,285 individuals with Emergency Homeless Assistance. • Assisted 1,595 individuals with Continuum of Care Performance Program. • Assisted 544 individuals with HOPWA funding. • Assisted 93 households with Linkages funding. All funds were programmed/awarded to agencies for expenditure. All Homeless funds (ESG and State Homeless) have been expended in accordance with CoC and HUD planning objectives.	Met
Objective 4	Develop services for owners to aid in preserving quality rental housing. FY2014: Technical guide for LIHTC compliance and owners guide for Capital Reserve for Replacement Requests	Technical guides for Low Income Housing Tax Credit (LIHTC) compliance was placed on hold due to limited resources available for this project. The mortgagor's capital reserve for replacement guide was completed by fiscal year end.	Not Met
Objective 5	The Asset Management Department will perform 100% of required long-term compliance monitoring for all affordable housing programs under its purview.	In the first quarter a total of 57 property monitoring visits and physical inspections were conducted to close out the 2013 annual work plan. The 2014 work plan went into effect, as planned, during the second quarter. A total of 68 monitoring and inspection visits have been completed for the 2014 annual work plan (Q2 and Q3) and the remaining monitoring visits scheduled totaling 59 were completed by Q4.	Met
Goal 4 - Talent & Operations			
Objective 1	Monitor strategic plan progress at quarterly and annual intervals.	Quarterly meetings for monitoring strategic plan progress were scheduled and held for the year. The Strategic Plan dashboard has been updated during the course of the year and provided to the Board. The final close out of the FY2014 plan will be presented to the Board in November.	Met
		Fifteen internal policies, processes or procedures that enhance and/or streamline functions/practices have been submitted for all nine departments within MFA. Accounting- Convert from receiving paper bank statements to utilizing on-line bank statements for reconciliations; along with IS Dept. testing to convert to MITAS system web based. Servicing Dept – Research Wells Fargo Retail Lockbox for ways to streamline payment processing. Four Lockbox services have been identified by Wells Fargo to improve the efficiency of MFA payment processing. Asset Management-Modification of Tracker 2.0 database to produce a report listing which properties in MFA's portfolio are due for annual monitoring. Homeownership -	

Objective 2	Each department must explore and suggest a minimum of 1 internal policy, process, or procedure that enhances and/or streamlines functions/practices (including elimination of unnecessary processes or procedures) aligned to accomplish goals in FY2014 and submit that policy, process, or procedure by 9/30/2014	streamlined qualifying criteria and documentation requirements for the Single Family program with the assistance of Bond Counsel. Community Development -Rehab invoices now being accepted electronically which facilitates faster processing, reduced paper usage and reduced filing. IS has enhanced the Weatherization Assistance Program online system for Community Development to be able to add new funding sources with minimal time. IS Dept automated import of servicers for the Payoff Report for the Accounting Department. Housing Development standardized the Mortgage, LURA & Note across all lending programs. The Loan Agreement was modified for each program to incorporate program specific requirements. Housing Development updated HOME procedures in regards to rental projects and CHDO's response to the publication of the final HOME Rule. Human Resources – Adjusted the pay date to be after hours worked and not before. This allows timesheets to be accurate and less payroll adjustments to enter.	Met
Objective 3	Continue to refine and implement policies and processes that attract and retain quality employees. Ongoing.	Revised the current wellness program that offers a more diverse approach by allowing employees to use the gym of their choice. MFA employee benefit package has no increase to employee portion premiums and MFA received 2% premium increase. Conducted "Best Places to Work" campaign in September for the second time in a row. Results won't be announced until October 2014 and these results will be used to identify areas of improvement in order to attract and retain quality employees. Board of Directors approved time off and holiday policy for part time employees working 20 hours or more a week. Implemented the Parent Teacher Conference policy that allows employees 4 hours of paid administrative leave a semester to allow parents to attend meetings with teachers.	Met
Objective 4	Research suggested/identified processes/programs and develop those that are found to be feasible to ensure employee satisfaction and staff development by 9/30/2014.	Conducted Sexual Harassment training in-house at no expense to MFA. MFA held its Employee Appreciation Day in September, which included team building and a training on the 2015-2017 Strategic Plan. Volunteer opportunities have been offered and employees have participated. New Employee Orientation was revised to be more efficient and effective.	Met
		Asset Management staff earned Housing Compliance Manager professional certifications for the HUD HOME Program through training by Zeffert & Associates, a national expert in the field of multifamily housing. One employee achieved a HUD Certification to work as a REAC (Real Estate Assessment Center) Physical Inspector, enabling MFA to move forward on new key initiatives. Community Development Department staff attended the following trainings: NCSHA HOME Workshops, National Association for State Community Services	

<p>Objective 5</p>	<p>Continue to identify Board, staff and management training needs and develop and implement training utilizing internal resources, local universities, trade schools and/or consultants where applicable.</p>	<p>Program (NASCS), NeighborWorks Planning , Energy Out West, Supercircular Webinar, Weatherization Assistance Program (WAP) Orientation Training Webinars from National Association for State Community Service Programs (NASCS), Fair Housing Training, Leadership in Energy and Environmental Design (LEED) Training, Uniform Physical Conditions Standards (UPCS) Training , Rural Community Assistance Council (RCAC) Training, Homeless Management Information Systems (HMIS) Training, HOME Final Rule Training. Various staff participated in National Council of State Housing Agencies (NCSHA's) Annual Conference (5), HFA Institute (9), Legislative Conference (3), Tax Credit Conference (3) and HUD Single Family Default Monitoring System and Neglected Default training. Human Resources attended a total of six webinars on various subjects of employment law. Servicing attended the Ginnie Mae Summit and internal staff training on the Consumer Financial Protection Bureau requirements by the Special Projects Director. MITAS software training on new modules being installed re: Servicing Expansion Phase II. Accounting/Finance received training on post issuance bond disclosure requirements, assessing business risk, unclaimed property compliance, Data Act and Supercircular regulations, record retention, and MITAS accounting software web system. Fair Housing Training was provided at MFA on July 30 for MFA staff and other Participating Jurisdictions. The Board of Directors held two study sessions during the year (Servicing Expansion and Community Development Financial Institutions Program) and received training on director roles, responsibilities and conflicts of interest; the State of New Mexico Consolidated Plan; Low Income Housing Tax Credit cost efficiency and the FY2015-2017 MFA Strategic Plan at the Board Retreat in July.</p>	<p>Met</p>
<p>Objective 6</p>	<p>Evaluate and assess operational risks</p>	<p>Current corporate insurance coverages were reviewed as part of the annual renewal process. Update of the Disaster Recovery Plan is underway and will be completed as part of the new strategic plan. The IS Department updated its Disaster Recovery plan, which will be incorporated into MFA's Disaster Recovery as it proceeds. The Homeownership and Servicing departments conducted a comprehensive GAP analysis as part of a organizational risk assessment for Dodd-Frank/CFPB regulations and their impact on MFA operations. The GAP analysis identified operational risks within MFA that have been mitigated through revisions in departmental policies and procedures. Facility improvements were made to enhance security.</p>	<p>Met</p>
	<p>Provide maximum system availability through continued</p>	<p>Two incidents on 11/15/2013 and 12/6/2013 resulted in 30 minutes of down time for three</p>	

Objective 7	maintenance and upgrades, leveraging current technology. All production servers and applications will be available 99% of all business hours during a 12-month period. Production servers cannot be unavailable for more than a total of 20 business hours during a 12-month period.	production servers. An incident on 6/14/14 resulted in email being down for 3.5 hours. An incident on 7/15/14 caused intermittent connectivity on server MFA2 for eight hours. All issues have been corrected. Total availability for FYE 9/30/14 was 99.4%.	Met
Objective 8	Protect and secure MFA's data and systems from unauthorized access: perform vulnerability tests every 6 months, and mitigate any vulnerabilities identified as high risk within 1 business week following notification.	No security breaches attempted in FYE 9/30/14. All vulnerability tests have been completed. Our overall risk level remains low.	Met
Objective 9	Research, implement and support technology solutions to improve operational efficiencies and data tracking capabilities for MFA and partners.	MFA successfully migrated our system backup strategy from tapes to a disk and cloud-based solution. The transition streamlines our backup procedures and improves the speed MFA can recover from a site disaster. Work was completed assisting Mitas with converting the database to SQL and implementing new web-based technology required to begin testing the new Accounting modules. Major improvements to MFA's system infrastructure have been completed and include upgraded Fiber Cabling, a new next generation Firewall, and Ethernet Switches. A high-speed redundant internet data line will be installed in October along with a Link Balancer to ensure uninterrupted connectivity to the Internet. A Housing library is now available on the MFA website. Work was completed automating the generation of Exposure Reports.	Met
Objective 10	Maintain and enhance MFA facilities and grounds and continue to utilize "green" measures where feasible.	Completed exterior light retrofit within approved budget. All maintenance to grounds and interior are within approved budget within MFA's control. Electric usage measures are in place and show a decrease from previous years.	Met
Goal 5 - Financial Stewardship			
Objective 1	Five-year rolling average consolidated rate of return on earning assets will be equal to or greater than .26% at 9/30/14. FY2014: .46%	As of 9/30/14 the 5 year rolling average rate of return is .51%.	Met
Objective 2	General Fund excess revenues over expenses will be least \$1,739k for FY2012-2014. FY2014 \$2,879k	As of 9/30/14 FY2014 General Fund excess revenues over expenses were \$6,033,367. The three year goal was \$1,739k. Total for FY2012-2014 was \$14,474,997.	Met
Objective 3	Research, develop and implement a program evaluation tool for assessing new and existing programs and projects in relation to mission, margin and risk tolerance. FY2014: Develop program evaluation tool for existing programs	The Program Evaluation Committee provided Policy Committee a draft assessment tool for existing programs. Policy Committee approved that draft on 9/23/14. The tool has been designed to improve management's ability to evaluate program results, improve operations or resolve other challenges as identified. The committee's next steps moving into the new strategic plan include overseeing a pilot project (NM Mortgage Program Competition) and providing recommendations to Policy Committee on suggested evaluation priorities/focus areas.	Met
Objective 4	Maintain General Fund cash reserves at a minimum level consistent with General Fund Cash Reserve Policy for support of program activities, operations and financial strength.	As of 9/30/14 General Fund cash reserves were \$70,541k, which exceeds the Cash Reserve policy.	Met
Objective	Manage and distribute grant funds to ensure that no more than 1% of the beginning of the year balance of grant funding is lost		

5	each fiscal year as a result of failure to expend or commit within the contract term. FY2014: \$75k	\$404k in grant funds have been lost.	Not Met
Objective 6	Obtain an unqualified opinion on MFA's financial statements and no material weaknesses identified by the auditor in internal control over financial reporting or major programs (excluding first-time program audits) for the next three years.	State Auditor's Office approved the 9/30/2013 financial statements. MFA received an unqualified opinion with no material findings. The financial statements were approved by the Board 1/22/14.	Met
Objective 7	Average internal rate of return on single family bond programs will be equal to or greater than 7.0% at 9/30/14. FY2014: 7% internal rate of return for the period ending 9/30/13.	The IRR calculations for FY 2013 using the same methodology as prior years is 7.54% which is 0.54% above the target of 7%. The bond issues contained in this analysis utilize the traditional structure.	Met
Objective 8	Maintain loan defaults, workouts, foreclosures and grant non-compliance losses to MFA below \$1,550k through FY2014. FY2014: \$645k	As of 9/30/14 for FY2014 MFA recognized \$993k in losses. The three year goal was \$1,550k. Total for FY2012-2014 was \$2,425k.	Not Met
Objective 9	Add income generating loan servicing portfolios which utilize the current servicing model. FY2014: Evaluate feasibility of servicing transfer of eligible portfolios.	MFA Staff performed an update and evaluation of MFA's existing MBS Bond portfolio to determine if it is economically feasible to acquire servicing based on the provision in the Master Servicing contract that allows MFA the option to acquire the servicing once the bond issue has reached a threshold balance. After conducting financial analysis, management has concluded that 1) The quality of the loans remaining in these portfolios that meet threshold may pose an economic risk to MFA, and 2) MFA's current loan servicing software does not have the automated investor reporting capabilities to support cost effective MBS reporting requirements. Staff will, however, continue to evaluate this as an opportunity; we have already asked our current software provider to look at the possibility of specialty programming for the investor reporting functions required for this type of processing.	Met